



## DEPARTMENT OF HEALTH & HUMAN SERVICES

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ADMINISTRATION FOR CHILDREN AND FAMILIES  
**Administration on Children, Youth and Families**  
1250 Maryland Avenue, S.W.  
Washington, D.C. 20024

AUG 16 2007

Carmen Hooker-Odom, Secretary  
Department of Health and Human Services  
101 Blair Drive  
P.O. Box 29526  
Raleigh, North Carolina 27626

Dear Secretary Hooker-Odom:

The Children's Bureau (CB), Administration for Children and Families (ACF), in collaboration with the North Carolina Department of Health and Human Services (NCDHHS), Division of Social Services (DSS), recently completed a review of North Carolina's Child and Family Services program to ensure substantial conformity with the State plan requirements found in title IV-B and IV-E of the Social Security Act. This review was initiated in September 2006, with an analysis of data related to safety, permanency and well-being of children involved with DSS and a statewide assessment of areas seen as critical to the effective functioning of the State's child welfare system. During the week of March 26, 2007, an on-site review of 65 cases and interviews and focus groups with approximately 100 key stakeholders in your child welfare system was completed.

We appreciate the amount of time and effort that you and your staff committed to the planning and implementation of the Child and Family Services Review (CFSR). While this was a joint Federal/State team effort, we would especially like to thank Candice Britt and Beverly Daniel for taking primary responsibility for this review.

The State can take pride in those areas found to be strengths in the child welfare system. We have determined that NCDHHS, DSS, is operating in substantial conformity in five of the systemic factors that comprise the child and family services review.

Also, as indicated in the report, we have determined that the Department is not operating in substantial conformity in six of the outcome areas. A Program Improvement Plan (PIP) is required (45 Code of Federal Regulations [CFR] 1355.35(c) (1)) to address each outcome and/or systemic factor determined not to be in substantial conformity. The PIP must be submitted to CB's Regional Office by September 27, 2007, 90 calendar days after the date the State received a courtesy copy of the Final Report. An estimated penalty of \$1,857,876.00, is applicable to this level of non-conformity. However, we are suspending the withholding of funds associated with this penalty during the period of the approved PIP. If we determine that the State is successful in

rectifying any of the areas that are in non-conformity, whether through successful completion of the PIP or through subsequent review, at that point, withholding of funds related to the particular outcome or systemic factor will be rescinded.

The Regional Office staff will assist you in developing the PIP to ensure that NC-DSS establishes an action strategy for bringing each of the identified areas up to a level of substantial conformity as specified in (45 CFR 1355.35). To the extent possible, those involved in the Child and Family Services Planning process and members of the review team, including those who are not employees of NC-DSS, such as the State's external partners, should be actively involved in development, implementation and evaluation of the PIP.

The PIP must address particularly egregious areas of non-conformity impacting child safety first (45 CFR 1355.359 (d) (2)). For safety items, the State should establish both short-term goals (to minimize the negative effects on children and families immediately) and long-term goals (plans for lasting reforms). The priority assigned to these issues should be reflected in the timeframes and content of the PIP rather than in the order in which they are identified in the PIP document.

The major elements of the PIP include the priority assigned to the State's work on each area of non-conformity, the necessary actions steps associated with improving each area of non-conformity, identification of the individuals responsible for carrying out the various steps, identification of the geographical areas of the State involved and the establishment of time frames for carrying-out the required improvements.


The PIP must include benchmarks of progress toward achieving the broader goals of the plan (45 CFR 1355.35 (a) (1) (v) as well as specific percentages of improvement that will be achieved through each applicable data indicator that does not meet the national standards (45 CFR 1355.35 (a) (1) (iv)). The PIP must describe how the State will evaluate and report PIP progress to CB's Regional Office (45 CFR 1355.35 (e) (1)), including a schedule for submitting progress reports to CB's Regional Office, and must address how the State will evaluate benchmarks of progress as well as determine whether PIP goals have been met.

The PIP should describe the State's plan using Federal or non-Federal sources of Technical Assistance to support program improvements for each outcome and systemic factor found not to be in substantial conformity (45 CFR 1355.35 (a)(1)(vii)). The State must incorporate elements of the PIP into the goals and objectives of the Child and Family Services Plan (CFSP) and address its progress in implementing the PIP in the Annual Progress and Services Report (APSR) (45 CFR 1355.35 (f)) and the CFSP.

We wish to remind you that Federal Regulations at (45 CFR 1355.37) require that the State make available for public review and inspection all statewide assessments, reports of findings and the PIP developed as a result of a CFSR. Therefore, we urge you to consider how you will respond to inquiries concerning these documents and prepare to make the information available as required in the regulation. Since the information is available to the public, CB, ACF, is obliged to respond to inquiries regarding such information as well.

Ruth Walker and Donna Dummett of the CB Regional Office will continue to work with you regarding the development of the PIP, and assist in identifying Federal and other resources to best address your needs. Please be assured that we will continue to work collaboratively to assist you in your efforts to ensure the safety, permanency and well-being of children and families in North Carolina.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a horizontal line extending to the right.

Susan Orr, Ph.D.  
Associate Commissioner  
Children's Bureau

Enclosures

cc:

Carlis V. Williams, Regional Administrator, Region IV; ACF; Atlanta, GA  
Joan E. Ohl, Commissioner, ACYF; ACF; Washington, DC  
Tara Wall, Director, Office of Public Affairs; ACF; Washington, DC  
Brent Orrell, Deputy Assistant Secretary, Policy and External Affairs; ACF; Washington, DC